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January 22 2003

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Dear Mr. Spitzer,

AZ CORP. COMM. DIV.
DOCUMENT CONTROL

They told me to write to you. Me and my neighbors live in Johnson Ranch. Johnson Utilities is our water and sewer company. It is a lousy company and gives us bad water and doesn't do anything. We know what happens if we complain about what happens out here. Look at the paper to show you. Do rich people always get away with everything.

The Neighborhood

Arizona Corporation Commission

DOCKETED

JAN 29 2003

DOCKETED BY	<i>me</i>
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will celebrate a banner year on the big screen



100 MORE REASONS TO READ THE REPUBLIC

Reason #11: We follow six Valley residents as they pursue their 2003 goal: Employment. **Page D1**

Reason #12: Find out how the state budget crisis could affect your life. **Page A1**

During the first 100 days of the year, The Arizona Republic will introduce new content. E-mail Managing Editor Randy Lovely at randy.lovely@arizonarepublic.com with suggestions.

SATURDAY • JANUARY 11, 2003

azcentral.com

Public funds suffer hit

State cities, counties lose \$131 million investment

By Jonathan Siderer
The Arizona Republic

Ohio health care finance firm that collapsed late last year amid a federal fraud investigation.

Chandler took the biggest hit, \$14.8 million, through investments in the state's Local Government Investment Pool, which was supposed to be in-

sulated against high risks.

Chandler Management Services Director Pat Walker said the loss would hurt but not break the city. Each year, Chandler makes about \$14 million on its investments. "We definitely don't want to lose that money," Walker said.

"It's built into this year's budget. We want to recoup as much as we can. Number 1, it's our money. Number 2, these are tough times for cities."

Other large Arizona losses include \$14.3 million by the

See FUNDS Page A4

Feeling the fallout
The five public entities in Arizona that lost the most money in the collapse of National Century Financial Enterprises:
In millions

Chandler	\$14.8
State of Arizona Operating Balance	\$14.3
Pima County Agency Fund	\$10.3
Scottsdale	\$7.5
Mesa	\$6.5

Source: Arizona Treasurer's Office
The Arizona Republic

Today's top 5

Don't miss these local stories inside today's Republic:

A rural lifestyle in jeopardy

Apache County residents dread rising tide of development

WASH

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Today's top 5

Don't miss these local stories inside today's Republic:

► Death sentence

Richard Glasel is sentenced to death for an April 2000 shooting that left two dead at a crowded homeowners association meeting.
Local, B1.

► Home sales up

Low interest rates were enough to lure a record number of people to buy used homes in Maricopa County last year.
Business, D1.

► Fight blight

Although new subdivisions have rules on home maintenance, older neighborhoods have to rely on volunteers and the law.
House & Home, H1.

► Fog aftermath

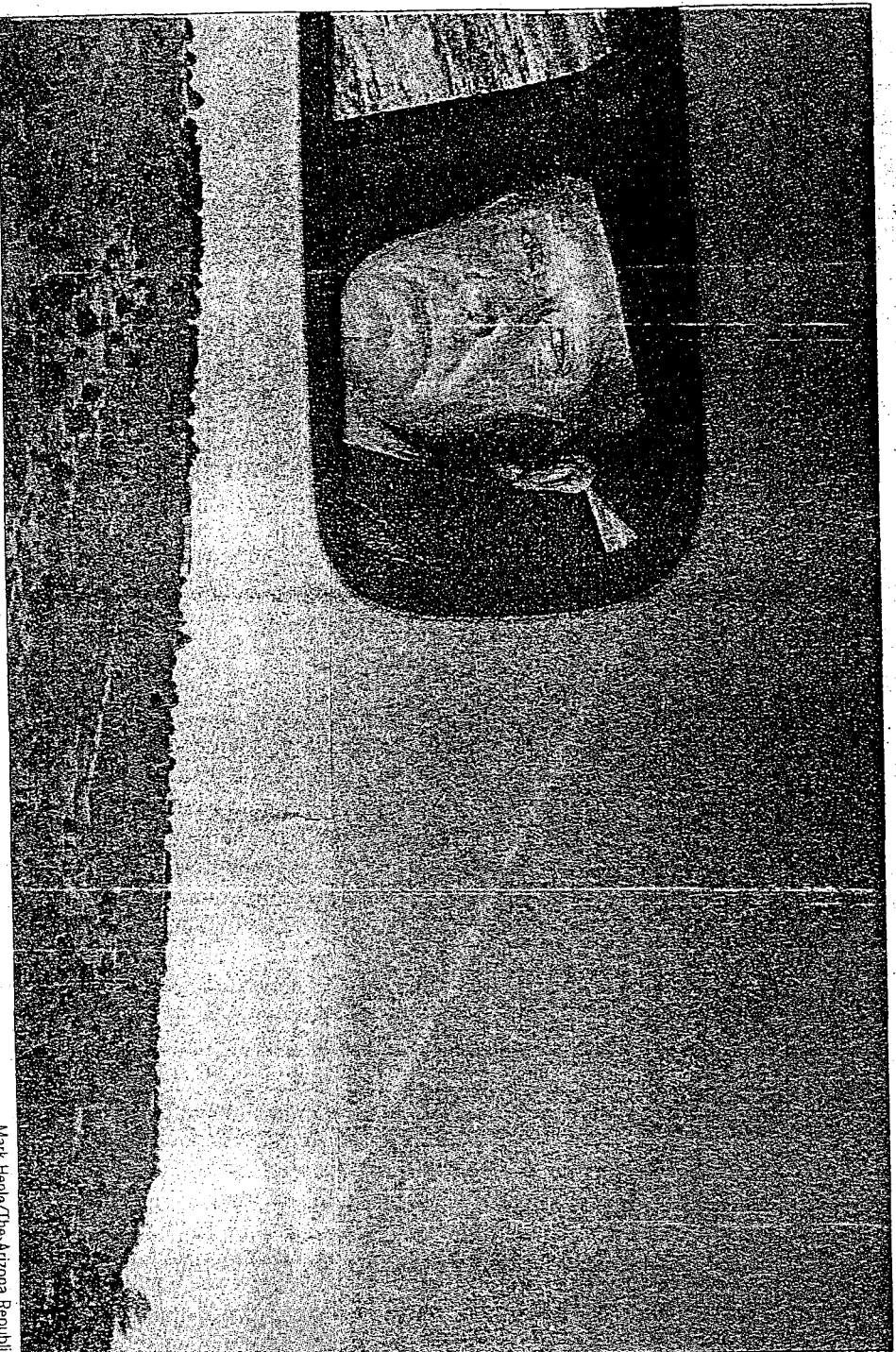
For passengers trapped for hours in America West planes on Thursday, explanations were as difficult to find as the fog-blanketed runways.
Local, B1.

► Almost perfect

Motocross great Ricky Carmichael was nearly perfect in 2002 and is back for more of the same.
2003 with an

A rural lifestyle in jeopardy

Apache County residents dread rising tide of development



Sam Udall is reflected in the mirror of his ranch truck. Udall's family has been ranching in the area since the 1870s. The proposed South Fork development would line the bluff visible through the windshield.

Mark Henne/The Arizona Republic

Paradise found

Developers are pressing local, state and federal agencies to allow development in some of the state's most scenic and remote areas, in distant Apache County.

By Mark Shaffer
The Arizona Republic

EAGAR

It has always been the most special of Arizona places, the remote mountain land of southern Apache County.

Locals call it the best of both worlds: too far from Phoenix and Albuquerque to be a week-

"Then, (developer George Johnson) asked if I needed partners, and I said 'no' again. So he said he would force me out and called me an ignorant butthead."

WASHINGTON
Secretary I signed a deployment day sending half of them Persian Gulf
The order involved the largest number personnel as the Pentagon masses troops warships and aircraft around Iraq to pressure President Saddam Hussein to disarm for attack
Bush ordered
By including Marines, the military's mobility

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Show Low, when completed, will knock an hour off the four-to five-hour driving time between the Valley of the Sun and the Round Valley area.

Sam Udall, a Round Valley rancher whose family has run cattle along the Little Colorado for more than 100 years, says he fears his lifestyle is in jeopardy.

"It used to be that the Round Valley area was so inaccessible that it was full of outlaws," Udall said. "I can remember the sign leading into Greer which said 'Population 13.' But, boy, those were the good old days."

Big plans for Eagar

The present is rife with controversy in the Eagar area.

Developer George Johnson of Phoenix wants the State Land Department to accept his plan to sell about 1,000 prefabricated homes and cabins, build a recreational vehicle area and add amenities like a snow play area along a nearly 5-mile swath of the Little Colorado south of Arizona 260.

Johnson's most recent plan, discussed at a town meeting in November, is to lease parts of two state sections of land west of Eagar and buy two private sections.

He also wants Eagar to annex the area. That has led to recent, volatile Town Council meetings, with the majority of the council and business owners backing the developer and many town residents opposed.

The state Game and Fish Department and Rocky Mountain Elk Foundation also oppose the development because they fear it will cut off big-game migration routes.

Still other opponents, like Wink Crigler, a longtime rancher in the South Fork area, are taking action.

Crigler, who has formed an unlikely "Save South Fork" alliance with environmental groups, said that Johnson asked her in July 2001 if she would sell her ranch and that she responded with an emphatic "no."

"Then, he asked if I needed partners, and I said 'no' again. So he said he would force me out and called me an ignorant butthead," Crigler said.

The first salvo

That was the first salvo in a round of recriminations in which Johnson has claimed



Wink Crigler and other members of the South Fork Coalition talk about the proposed development at South Fork Canyon.

that his property has been repeatedly vandalized. In turn, he built a pigpen on property he owns along a dirt road to Crigler's ranch house and placed a sign on the pen saying that one of the pigs inside is named "Wink."

Johnson, who refused to comment about his development, then wrote a letter to the editor of the local newspaper, the *White Mountain Independent*, threatening his opponents, whose attacks, he said, have escalated into "malicious, slanderous and libelous accusations that must, and will, be halted."

John Planteen, an Eagar real estate agent, said he questions the economic wisdom of such a large development in the area because two other Round Valley developments have attracted little interest and more than 100 homes already are on the market in Eagar.

Proposed land swap

Selling homes near Greer isn't expected to be a problem. But the intentions of Herb Owens of Greer remain a mystery. He has proposed swapping parcels near Big Lake and along the Black and Blue rivers for Forest Service land in the Greer area. Owens' property is all south of Greer and is within the Apache-Sitgreaves National Forests.

Owens, who did not respond to messages left at his home, has repeatedly said he does not intend to develop the area if the land trade goes through.

But members of the Greer Coalition, a group opposing the land exchange, said they received a copy of a letter last month sent by a consulting firm representing Owens to the local sewer district that indicated development could

take place.

"The consulting firm wanted to know if the sewer district could handle 300 to 400 more homes on its present system," said Ray Stanley, a coalition organizer.

"Why would anyone even make the trade if the land wasn't going to be developed?"

"People up here are pretty upset about this, and some think that it is already a done deal."

But Bob Dyson, spokesman for Apache-Sitgreaves in Springerville, said that he has seen no evidence that the land would be subdivided and that the real issue is "what's the county planning and zoning going to do about that area 20 years down the road?"

Apache County officials said. Nutrioso residents already have been embroiled in an ongoing controversy over a proposed self-storage development within the community, resident Nora Mohr said.

But that may be only the tip of the iceberg, said Milton Ollerton, Apache County's planning and zoning director.

"There's a lot of very attractive land that could be developed: 8,000 acres in that Nutrioso area and 9,600 acres around Alpine," Ollerton said. "It's all a matter of what the market will be here in the future."

The road to the future

Getting there from the Valley will be a lot easier.

Step 1 was the recent completion of the four-lane Beeline Highway from Mesa to Payson. Step 2 is the expansion of Arizona 260 to four lanes between Payson and Heber-Overgaard, which is to be completed by about 2015, said Doug Nintzel of the state Department of Transportation. Turn lanes also are scheduled to be added to 260 between Heber-Overgaard and Show Low.

"The improvements can't happen fast enough for most people," Nintzel said.

Reach the reporter at (602) 444-8057.

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